

# Conversational Advertising

A report from

*mobile*<sup>SQUARED</sup>

commissioned by

SinglePoint

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## What is Conversational Advertising?

Conversational Advertising is the agreed messaging-based communication between the consumer and a brand to deliver consumer benefits to the consumer.

Conversational Advertising capitalizes on the opted-in database developed by the brand to establish an ongoing relationship with the consumer. In doing so, the concept evolves beyond the traditional campaign ideology that has become the cornerstone of advertising. Campaigns, by their very nature, represent an occasional touch-point with the consumer, and therefore are limited in their ability to encourage the ongoing interaction and engagement that brands desire. As the name suggests, Conversational Advertising introduces a discursive element to what has been until now, a largely time-restricted engagement opportunity during a campaign.

In the digital age, engagement is critical. Once a consumer has opted in and become engaged, it then becomes counterintuitive to send an occasional communication. The effectiveness of the opt-in model is to maintain that relationship between the brand and the consumer, measured by the Cost Per Engagement (CPE).

An engaged consumer also represents a higher response rate. By generating an opt-in database, the likelihood of developing a response from a consumer into a conversation increases dramatically.

Conversational Advertising addresses the existing messaging practices which are fleeting and largely ineffective beyond the realms of the campaign. By encouraging the brand to regularly communicate with the consumer this ensures that it remains “front of mind”. In effect, Conversational Advertising will have the impact of a web site – a constant in the view of the consumer – whilst providing user data on three levels.

Each ‘conversation’ will be relevant and contextualised to the needs of the consumer. The initial opt-in provides the first level of information, which can then be enhanced by third-party intelligence based on the consumer’s mobile usage and behavioural traits. Lastly, and most importantly, each consumer’s response during the conversation with the brand will provide the latest and up-to-date consumer information. In effect, this third stage is real-time consumer profiling. And when applied to the power of messaging, becomes the ideal channel for brands and businesses.

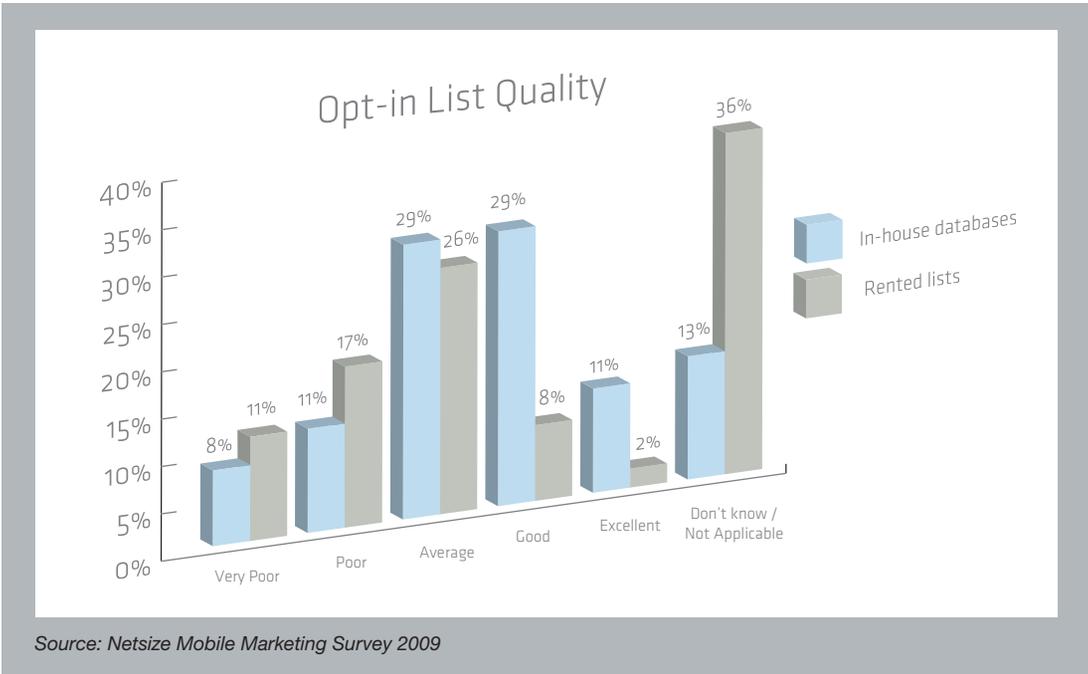
For example, MTV in the US sends several million SMSes per month to its opt-in database, and has intentions of expanding this activity to levels approaching 30-40 million SMSes per month to create sufficient inventory to attract advertisers. The response rate ranges from high single digits to around 50%, with a median of 16%.

In the UK, ad-funded MVNO Blyk achieved an average response rate of 26% for its SMS and MMS campaigns – though the company included both positive and negative responses in that response rate. Although Blyk as a

service in the UK is defunct, the platform was acquired by Orange, and the service's successor, Orange Shot, is now claiming response rates of 5-39%.

Both MTV and Blyk/Orange were forward-thinking in their vision to create opt-in databases, and with each campaign learn vital lessons about consumer engagement. Operating from the platform of an opted-in database provides sanctity the brands require when communicating with their customers.

A Netsize Mobile Marketing Survey in 2009 revealed that database quality, such as acquiring opt-in mobile numbers, and maintaining the data quality, was the primary inhibitor with regard to investing in mobile marketing. This was followed by concerns over regulation and spam, as well as brands having an unclear - or were lacking a - mobile marketing strategy. The quality of the database also came into question.



Despite brands' concerns regarding spam, as a practice it remains a marginalised activity on mobile. Spam is unlikely to plague the industry in the same vein as email, because of strict regulation already in place. In Vietnam, for example, the market has implemented a best practice of messaging-based advertising until 7pm, and limited the number of messages per day to 5. In the US, mobile operators strictly regulate the SMS market to ensure texting remains spam free. Marketers have to operate with SMS certificates and can only communicate with consumers that have opted in.

Conversational Advertising is first and foremost, based on the consumer's direct opt-in to receive advertising from that brand. That is when a consumer knowingly provides their mobile number specifically for the purposes of being communicated to by a particular brand or brands.

Indirect opt-in is when the consumer supplies his mobile number without realising it will be used for brand communication purposes – and subsequent messages are then perceived as spamming.

According to ComScore, 34% of people in the UK received an SMS ad from a brand in April 2010.

One sector that actively uses messaging to regularly communicate with its customer base is mobile. As a mobile customer of the operator, the consumer has indirectly opted-in to receive communications. But operators are sitting on a wealth of data about their consumers. A mobile user's behaviour and location is selectively monitored for quality and service level agreements by the mobile operator. And this data has incredible value to third parties for advertising purposes. However, the inclusion of a third party requires the consumer to actively (directly) opt-in to receive communications.

Clearly, it is essential for a brand to make the opt-in process highly transparent to the consumer. What's more, if a brand does not follow-up that opt-in process with frequent messages, the consumer could forget that they have opted-in. It is essential that brands feed the consumer's appetite for information and content.

For instance, users sign up to news alerts from publishers and broadcasters such as New York Times, CNBC, the BBC and Sky. If the content is right, consumers will identify with the inherent value of each message. The New York Times' daily news alerts generate an engagement spike almost immediately after the message has been distributed. The alert reminds the consumer to constantly interact with the brand. Regardless of whether the brand is a publisher or a retailer, if the content is contextual and relevant to that "opted-in" consumer, the communication will hold an inherent value.

But it is also incumbent on the brand to identify the role it plays in the consumer's life. Some brands will be more conversant with the consumer than others. Brands based on lifestyle and preference, like MTV, Nike and Starbucks for example, are more likely to develop ongoing conversations year-long, than annual or seasonal brands such as insurance companies and holiday firms. In such instances, the consumer should be able to have a 'holiday' from the brand's communications until they are ready to re-open conversations at an appropriate time. For example, with insurance companies it could be a month before the consumer has to renew car and house insurance in order to get the best quote.

It is SinglePoint's belief that "opt-out" is too final and not representative of how the marketing industry operates. Consumers have to be presented with the option, such as a 'conversation holiday' of 1, 3, 6 or 12 months, as well as total opt out, depending on the consumer's preference. In doing so, brands will be further encouraged into using the mobile medium to communicate.

## Conversational Advertising and consumers' mobile behaviour

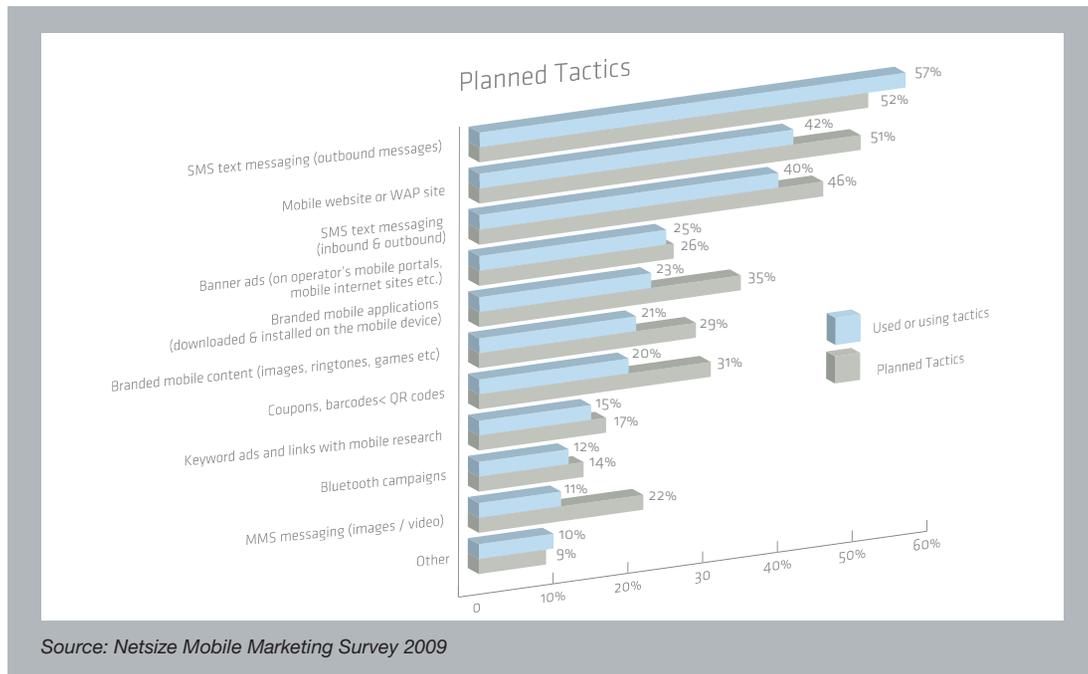
Communication has become the flavour of the day. Beyond the traditional areas of voice and messaging, the widespread global adoption of the mobile Internet can be directly associated with social networking – the web's version of communicating. In every mobile Internet market around the world, social network users make up, up to 50% of browsers, but they are generating significantly more than 50% of the total mobile Internet traffic in their respective market. Over 80% of social networking activity on mobile is associated with responding to feeds and status updates. Both activities can be described as short and bursty communication. Similarly, Twitter is the culmination of the success of social networking and SMS, packaged in a 140-character bundle. It is a phenomenon that has swept the world.

The rise of social networking on mobile is confirmation that the mobile device is the first screen when it comes to communication. The emergence of Twitter is verification that communication can – and does – occur in less than 140 characters. And while agencies argue that SMS does not offer a sufficient platform to deliver creative rich-media, it delivers a mechanism to be linguistically creative.

For in-SMS advertising, where brands have access to 20, 40 or 60 characters, the creative aspect is replaced by a direct response mechanic. This can be offer-based built upon a customer acquisition approach using keywords, or it could be educational or encouraging interaction. The issue facing the brand is that their ad being insertion into the SMS has to be relevant and contextual, i.e., the ad has to echo the content in the main SMS. This then becomes reliant on technology to guarantee the ad's content is a reflection of the SMS' content.

But messaging-based ads do not have to be restricted to 160 characters. iPhone texts are not restrained in length, while standard SMSes exceeding 160 characters are automatically concatenated. Similarly, MMSes do not have character limitations. Furthermore, Conversational Advertising removes the necessity to deliver the complete branding opportunity in one communication. The creativity element in Conversational Advertising is the creation of that engagement, leading to further interactions on the messaging platform or in potentially richer environments.

Despite the perceived limitations associated with messaging, it continues to be the dominant channel for brands. SMS text messaging activity (incoming and outgoing) continues to dominate existing and planned mobile tactics, with the trend migrating from outgoing only, toward incoming and outgoing also. This highlights the communicative nature that mobile delivers to marketing.



Consumer research of US and UK mobile phone users by mobile<sup>SQUARED</sup> – nationally representative samples of over 1,000 users in each country – revealed that about 50% of respondents would welcome SMS advertising in the US, with over 60% of users receptive in the UK.

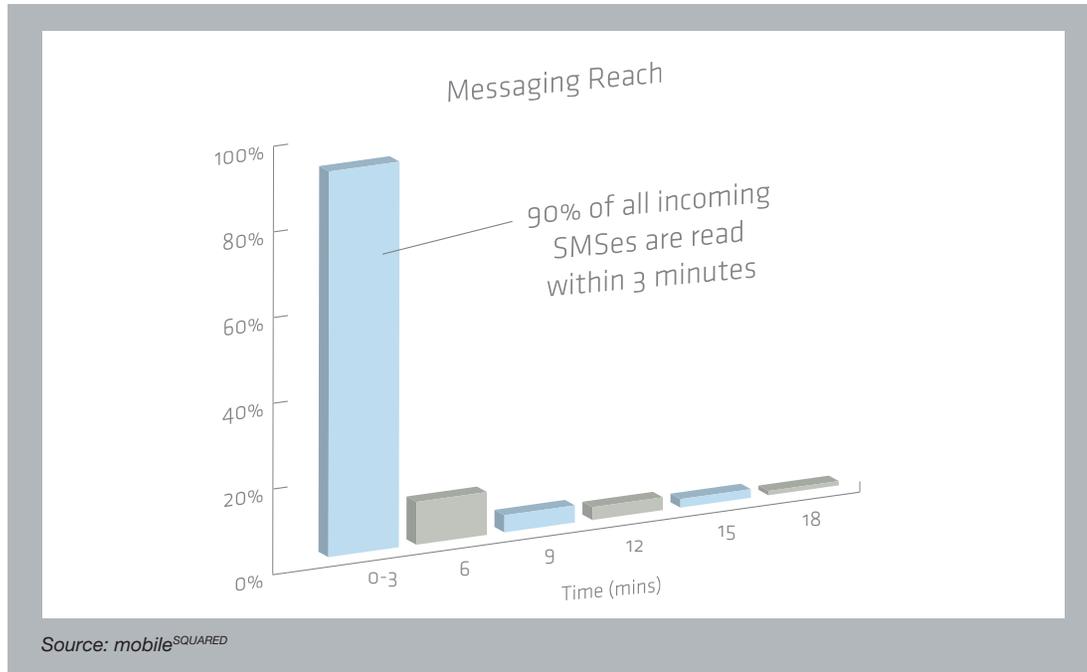
## The power of messaging

The unrivalled reach and effectiveness of messaging will make the medium the most powerful channel for all brands and businesses communicating with their customers. That's because all of their customers will have at least one mobile phone. By the end of 2010, the International Telecommunication Union estimates that there will be more than 5 billion mobile phone users globally, and every single mobile phone will have the capability to send and receive text messages. The implications are obvious: one brand communication could potentially be read by the majority of the world's population within seconds of its distribution.

In the majority of developed mobile markets messaging penetration is in excess of 90% - though in the US the figure remains below 70%. These are markets dominated by the mobile operators, and obsessed with the iPhone and smartphones, and the need to deliver apps through app stores. Yet the one overriding feature that brings these fragmented markets together is messaging. Messaging addresses the cross-soperator, device, and operating system divide with its one-size-fits-all methodology.

Not only does messaging have unprecedented reach, it has unassailable effectiveness. About 90% of all text messages are read within 3 minutes of their delivery – and over 99% of all text messages are read by the recipient.

## Getting the message across

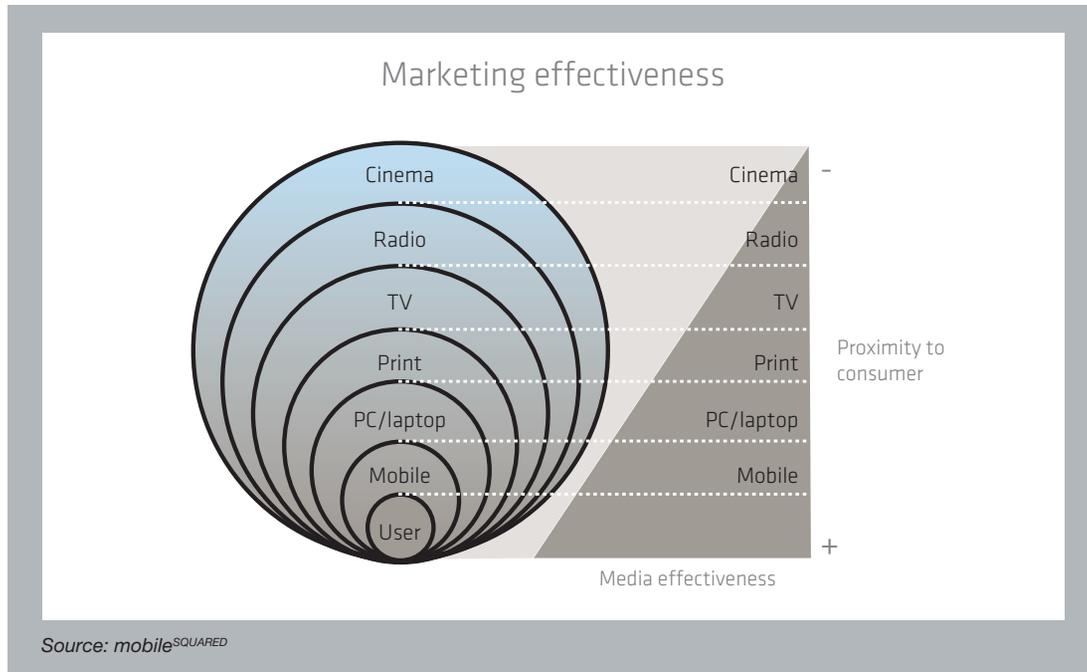


In essence, messaging has the reach and effectiveness that is unparalleled compared to all other channels available on mobile, available online, as well as the traditional forms of media.

The power of messaging can also be attributed to its proximity with the user. On average, the mobile phone will be in the user's possession for 16 hours a day. It is not uncommon for users to sleep with their mobile devices next to their pillow - the third most used application on a phone after voice and messaging is the alarm. Research by Pew Internet in Sept 2009, revealed that texting is the primary reason that teenagers will sleep with their cell phone next to the bed: Texting teens are 42% more likely to sleep next to their cells than those teenagers that do not text.

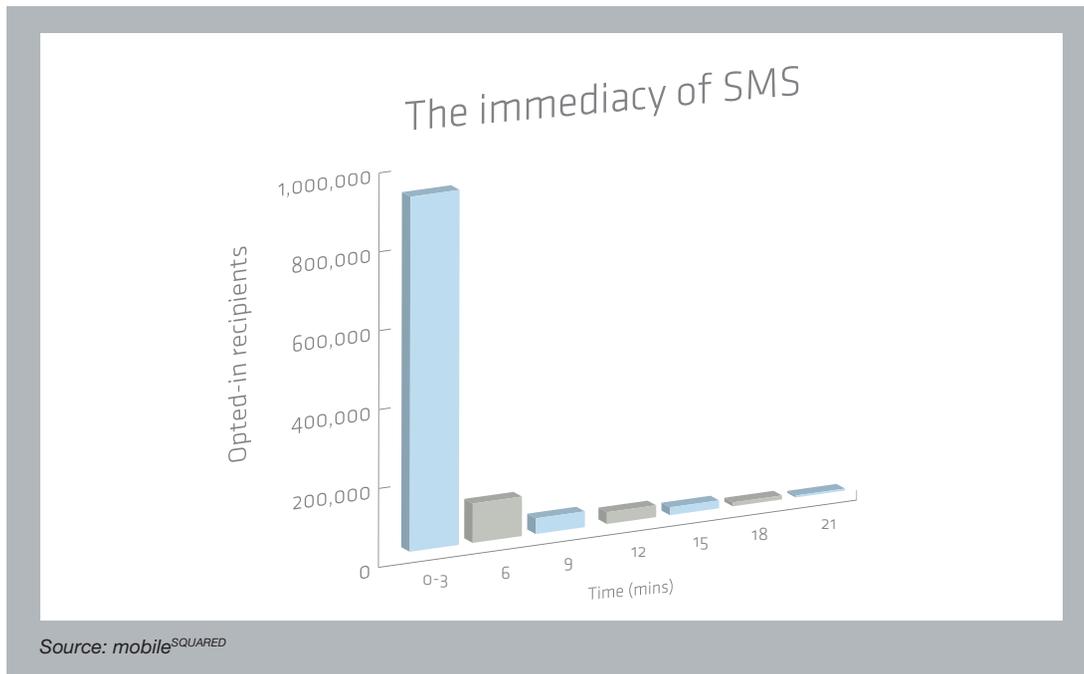
Putting this into context, the mobile phone is in the possession of the average user for 5,840 hours per year. That compares to the average 2,920 hours the average user in developed markets spends in front of their PC, versus the average 1,865 hours spent watching the TV (US only).

## Proximity effectiveness



The implications for the mobile device's proximity in relation to the user, is that direct activity on the device will automatically alert the user, such as a phonecall or message. This level of "pull" activity is in keeping with the widely adhered-to difference between marketing and advertising; the former is push-based, whereas the latter is pull-based. In relation to messaging, it is very much a pull-based media.

Indeed, the reason that 90% of messages are read within 3 minutes can be directly related to the user's possessory behaviour towards the mobile device. For an advertiser, the knowledge that 900,000 customers out of a target group of 1 million opted-in customers, for example, will receive their communication within a matter of minutes is an incredibly powerful channel.



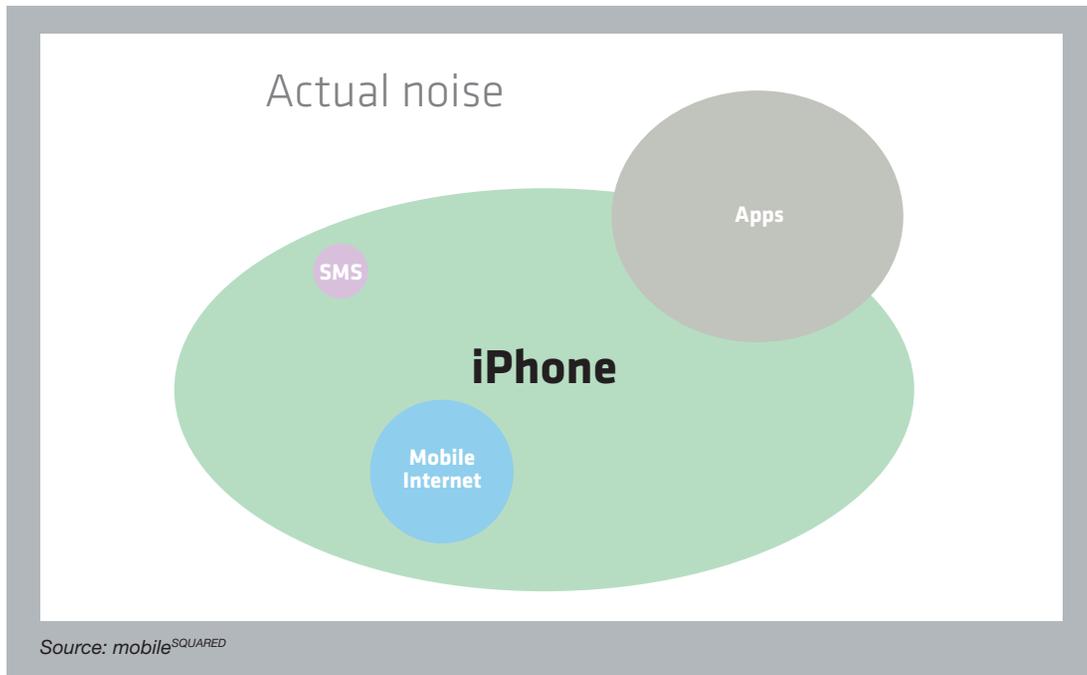
Mobile can be considered the seventh screen in terms of media, but it is the first screen when it comes to communication.

## Mobile & marketing

With mobile penetration surpassing 100% in almost all developed markets – the US is now in excess of 90% and messaging having an almost immediate perusal rate, it is not surprising that messaging dominated mobile advertising spend during the last decade. mobile<sup>SQUARED</sup> estimates that on average 70% of all mobile advertising campaigns spend during the last decade was allocated to messaging. Indeed, the fact a message can be created once and distributed to millions of devices, is an additional incentive.

But ad agencies crave creativity to deliver rich-media (and potentially award-winning) experiences. The arrival of the iPhone in 2007, and its 3G-enabled brethren the following year, in conjunction with the virtual doors opening for the App Store, provided that creative rich-media opportunity the ad agencies needed. The iPhone sparked a frenzy of activity from the ad agencies, committed to generating branded apps for their clients to appear on Apple's App Store. A trend that has continued well into 2010, and no doubt, well beyond. Although other app stores now coexist in the mobile marketplace, it is really only Android that stands to make significant inroads into Apple's dominance in the short term.

## Industry noise

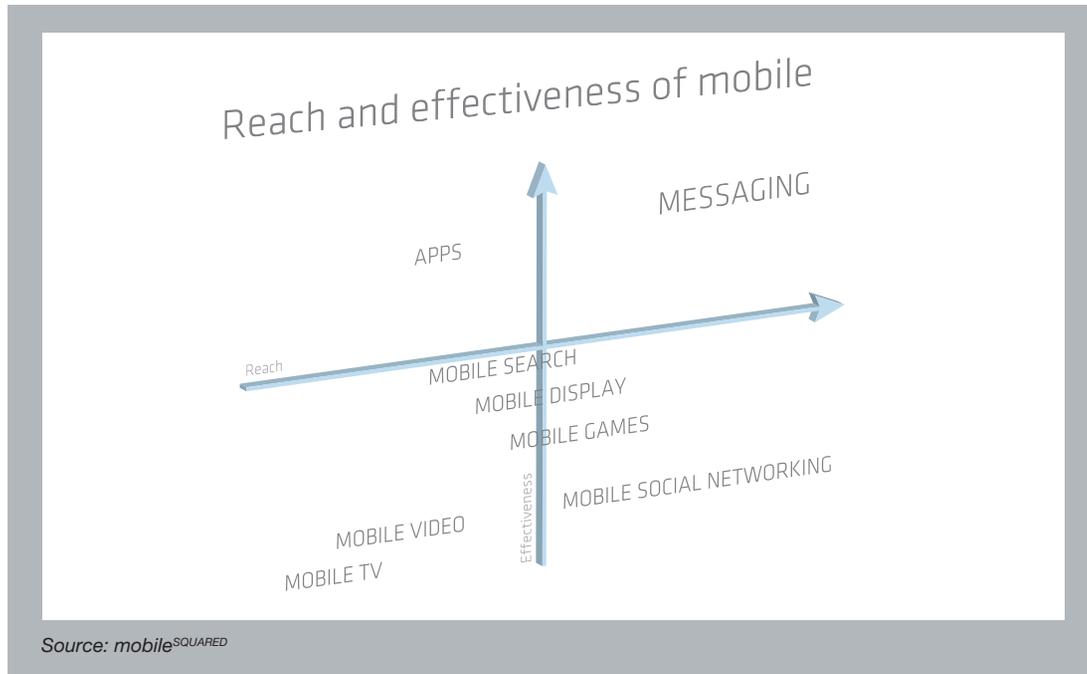


Even now, the buzz surrounding Apple continues to dominate the mobile advertising space, both in the form of the iPhone, apps, App Store, and now the iPad. To date, a little under 95 million iPhones have been sold (including the 4-5 million grey market devices in China), as well as in excess of 2 million iPads.

It is not surprising then that apps are the talk of the town. Chairmen with iPhone's want to see their brand on the App Store, regardless of the target market. Mobile advertising app activity on the iPhone is becoming a boardroom tactic, and not a brand marketing strategy. And the results are starting to expose this. Eighty percent of apps on the App Store are downloaded 10,000 times or less. That means 80% of apps will achieve an iPhone penetration of 0.1%. And as app stores become more congested, and discoverability becomes even more of an issue, that latter percentage can only decrease.

While apps can be an incredibly effective model for brands (like messaging), an app's reach is limited (unlike messaging). Messaging as a direct channel to the consumer sidesteps the issue of discoverability altogether, but it can also play a pivotal role in the discovery of apps. Not only can it assist the consumer in locating the app in the app store, it can remind the consumer to use the app, and also inform the consumer of updates. To date the worlds of apps and messaging are yet to converge.

## The mobile landscape

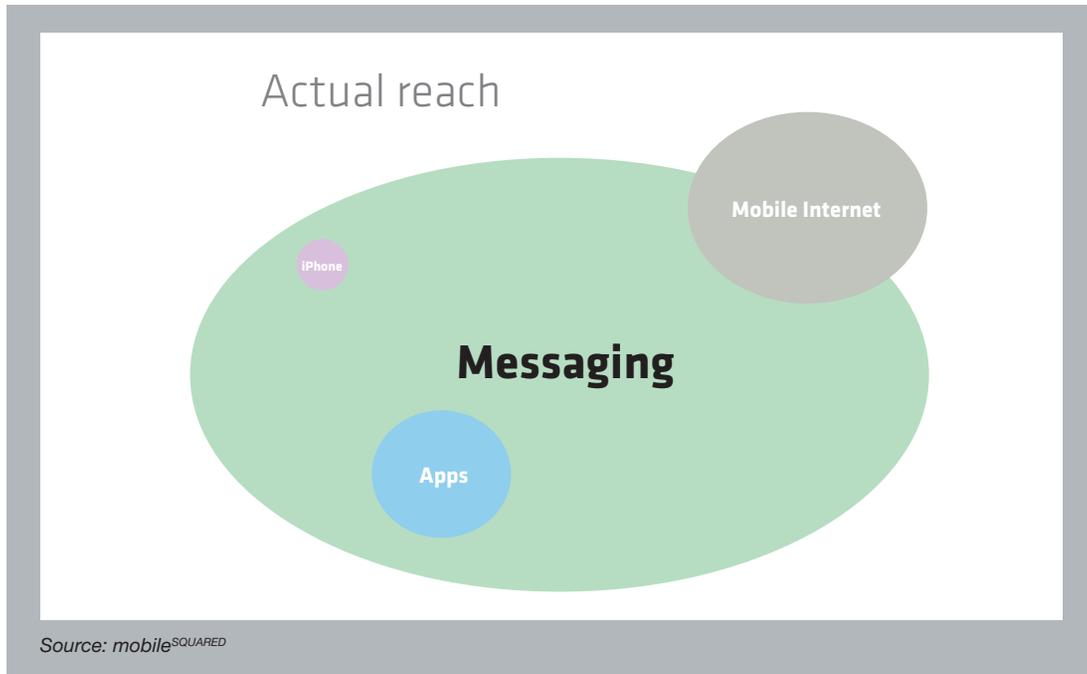


But Apple's impact on the broader wireless market cannot go unnoticed. It has undoubtedly spawned the phenomenal rise of smartphones and copycat App Store offerings. It also captured the user's imagination in terms of how the mobile browsing experience could be successfully delivered, and subsequently accelerated the uplift cycle of the mobile Internet in smartphones and featurephones.

The mobile Internet is also becoming a mainstream activity for hundreds of millions of users around the world, in developed, and also developing markets where mobile is often the first screen. And as mobile Internet penetration increases, the demand for display-based advertising does also. Like messaging, banners, links and search provided the platform for the first phase of mobile advertising during the last decade.

For brands and businesses wanting to communicate with their customers (and potential customers), the all-important feature is reach and the ability to respond and engage. Brands do not want their communications to be limited by operator demographic, OS, device, or whether the device is Internet-enabled. They simply want to communicate.

## Mobile reach



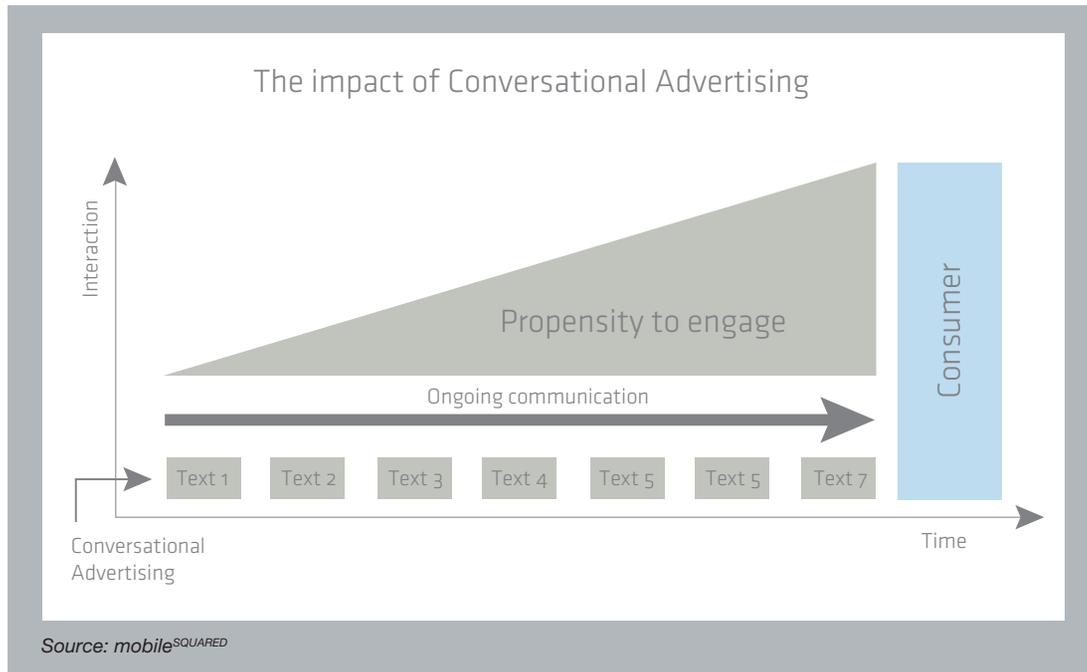
## Why is Conversational Advertising needed?

Existing messaging-based forms of mobile advertising have involved campaign-led activity over a number of hours, or an occasional communication. And while it has created instantaneous engagement and interaction between the brand and consumer, this is compacted into a very short period of time. Based on this model, the reality is that the brand is unlikely to use messaging to communicate with that user until it embarks on another messaging campaign. While this aligns strongly with traditional advertising activity and structure, it is contrary to how users use their mobile devices.

Furthermore, the continued rise of SMS traffic, allied with status updates on social networks and the rapid adoption of Twitter, highlights that users are now accustomed to communicating in 160 characters or less.

Conversational Advertising addresses and enhances the existing messaging practices executed at present, which are fleeting and largely nonexistent beyond the period of the campaign. SinglePoint believes that Conversational Advertising can generate a similar 'front-of-mind' presence in the consumer as a web site, and should therefore become the mobile platform upon which all other forms of mobile advertising campaigns are based. In the same way web sites are managed and updated, a similar principle will apply to Conversational Advertising.

As highlighted, the ongoing communication generated via Conversational Advertising, increases the consumer's propensity to engage with the brand. Whereas the window of opportunity to engage on traditional mobile advertising activity would only be open during the campaign; Conversational Advertising ensures engagement is ongoing.



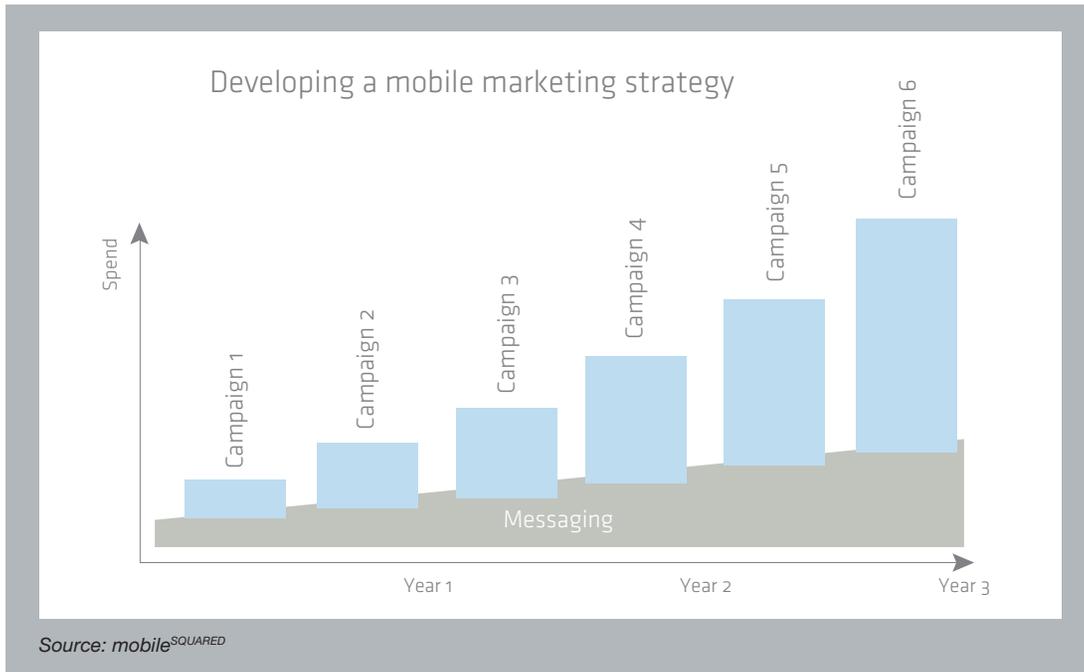
And with ongoing engagement, the notion of the campaign vanishes. Adopting an ongoing model will also make mobile messaging a more appealing medium to advertising agencies. Presently, agencies have become ousted from the mobile messaging marketing ecosystem, and consequently have very limited opportunity in monetising the messaging value chain.

Similarly, agencies are more accustomed to generating several million dollars for a TV ad or online campaign. It is almost impossible for an agency to justify charging US\$100,000 to come up with 20, 40, 60 characters for a messaging campaign, regardless of how successful 20 characters could be.

Conversational Advertising addresses the clear disconnect between agencies and messaging. By replacing campaigns with annualised messaging (conversational) activity, agencies can command a 12-month fee, for example, to manage that process for their brand clients. From an agency's perspective, Conversational Advertising ensures their inclusion in the mobile messaging ecosystem, and closely aligns not only with their brand enhancement cycle, but with consumer mobile behaviour.

Mobile advertising campaigns can then be developed using Conversational Advertising as the platform – in

conjunction with web and WAP sites, for example. A more traditional mobile advertising campaign could be used to develop brand awareness and drive consumer opt-ins. The latter could be supported by cross-platform initiatives, as well as point of contact literature educating the consumer of the merits of opting in.



At the core of all mobile consumption is communication. And if companies are to fully embrace the opportunity presented by mobile devices, brands and their agencies, and businesses alike, must create a strategy that seamlessly integrates with the notion of communication.



## Case study: MTV Networks

Since 2008, SMS Sponsors of MTV messages have included the likes of Pepsi, Burger King, Ragu, U.S. Navy, Starbucks and others. Programming highlights of a snapshot of some of the activity include:



For the first time in its 18 year history, MTV Movie Awards rewarded fans by enabling them to nominate the best film of the year. Users can participate by texting VOTE to code 66333. On the success of 2009, MTV has repeated the activity for this year's nominees, which include Alice In Wonderland, Avatar, Harry Potter and the Half Blood Prince, The Hangover and Twilight: New Moon.

The activity in 2010 was sponsored by Starbucks. Combining voting in both 2009 and 2010, several million votes have been cast.

Comedy Central's program the Stand-Up Showdown is a countdown of the 20 greatest comedy central performances. Throughout the month of January ("Stand-up Month"), previous episodes of the series are aired, prompting viewers to vote for their favorite comedian from a pool of 100 via text message or the Internet. In 2009 the Showdown was sponsored by Jamster and in 2010 it was sponsored by Navy. The activity has generated over 2 million entries.

For MTV's New Years Eve program in 2008, hosted by Miley Cyrus, MTV ran an SMS campaign encouraging television viewers and the live audience in Times Square to text in their hopes and dreams for 2009 – select moderated wishes were presented on TV during the live telecast. The event was sponsored by Pepsi, as part of its national rebranding campaign.



From mid-day to 4 pm on New Year's Eve consumers were encouraged to visit a Pepsi pop-up shop located in Times Square Studios to grab a branded scarf and other goodies for a snapshot and write down messages of hope for the New Year. Pictures and messages were selected for broadcast on the Good Morning America SuperSign; all of the pictures and messages could then be downloaded from the campaign's site [www.refresheverything.com](http://www.refresheverything.com). Consumers at home and in Times Square could also text wishes to

appear on the MTV crawl throughout MTV's New Year's shows or on MTV's HD Times Square Screen.

## The opportunities for Conversational Advertising

The global penetration of mobile messaging has created an enormous opportunity for Conversational Advertising in every market around the world. Here we take a look at three core markets for SinglePoint.

### US

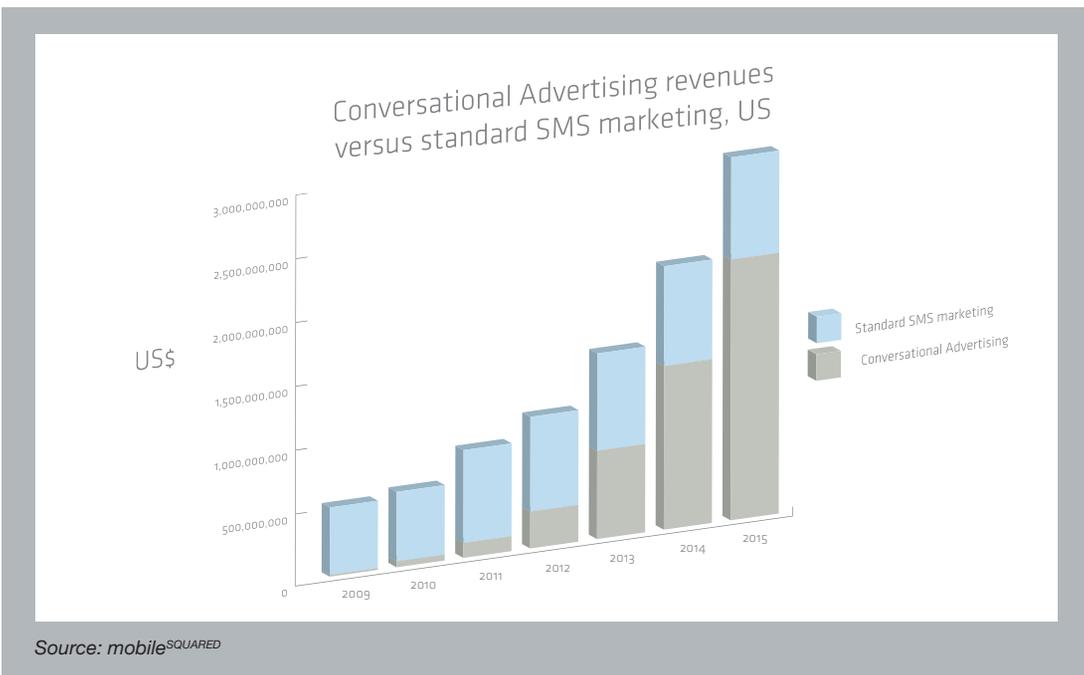
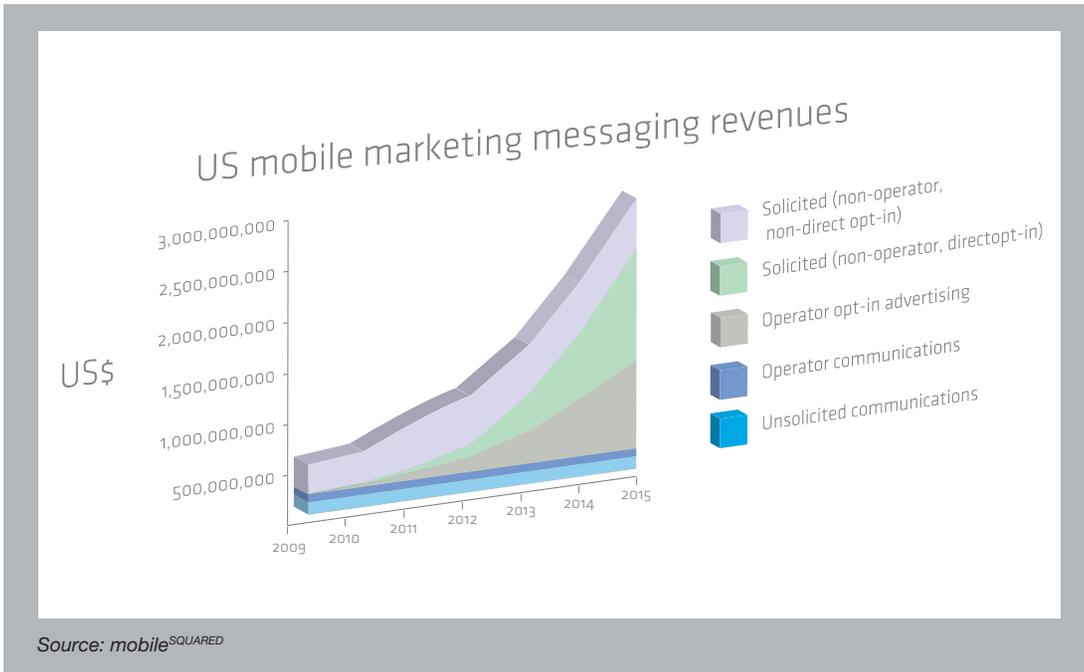
In the US, some 300 million users send over 4 billion texts a day – an average of 13.3. The youth market alone sends around 3,000 texts per month. But texting is not confined to the youth demographic. Almost 65% and 50% of mobile users in their 40s and 50s respectively, now regularly send texts, according to the CTIA.

Given the strict regulatory regime implemented in the US with regard to spam, coupled with the fact it is the world's largest advertising market, make it a very fertile landscape for Conversational Advertising. Consumer research by mobile<sup>SQUARED</sup> indicates that 50% of the US mobile market would be willing to accept Conversational Advertising.

Mobile advertising activity in the US to date has largely focused on messaging-based activity, though strict opt-in regulations coupled with the emergence of the mobile Internet have resulted in spend moving towards mobile display, and more recently, apps.

But as a service, messaging remains largely nascent, and consequently will have an impact on the way brands and businesses in particular view the medium and more importantly, understand the need for an opt-in database. As these concerns are addressed, messaging, and Conversational Advertising will play a major role in how brands and businesses communicate with their customers.

Research by mobile<sup>SQUARED</sup> for SinglePoint estimates that Conversational Advertising in the US will be worth US\$47.8 million in 2010, rising to US\$2.04 billion in 2015. Conversational Advertising will represent 8% of total mobile marketing messaging activity in 2010, but will be dominant model in the marketplace by 2015, commanding 72% of revenues for total mobile marketing messaging. Additionally, mobile<sup>SQUARED</sup> forecasts that the operators will receive about 45% of total Conversational Advertising revenues by 2015.



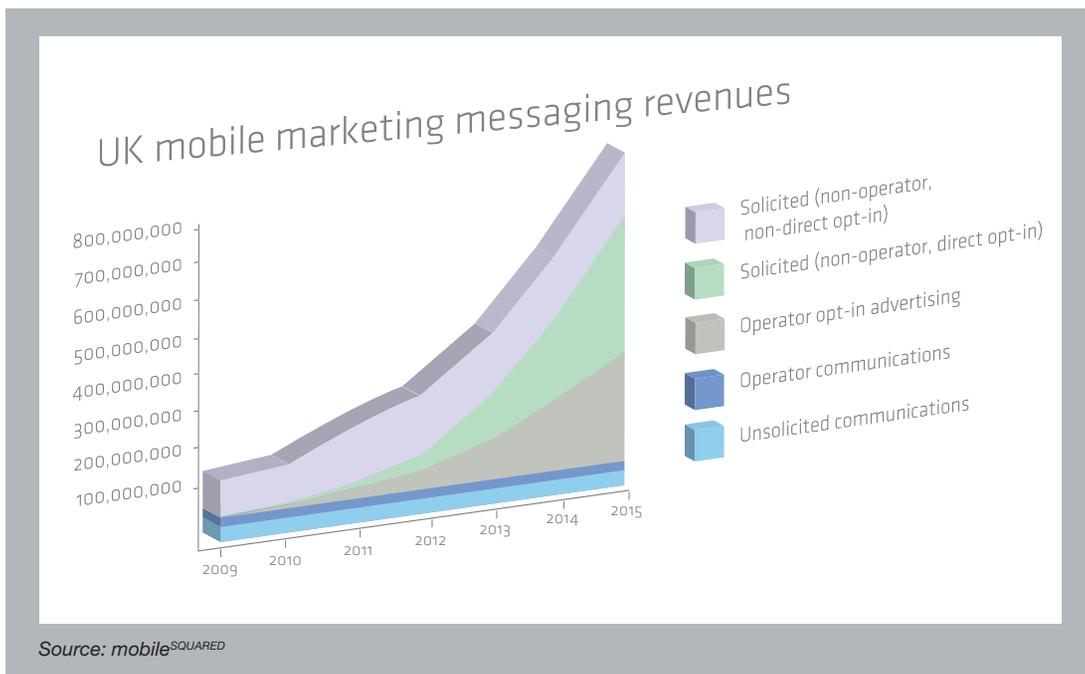
## UK

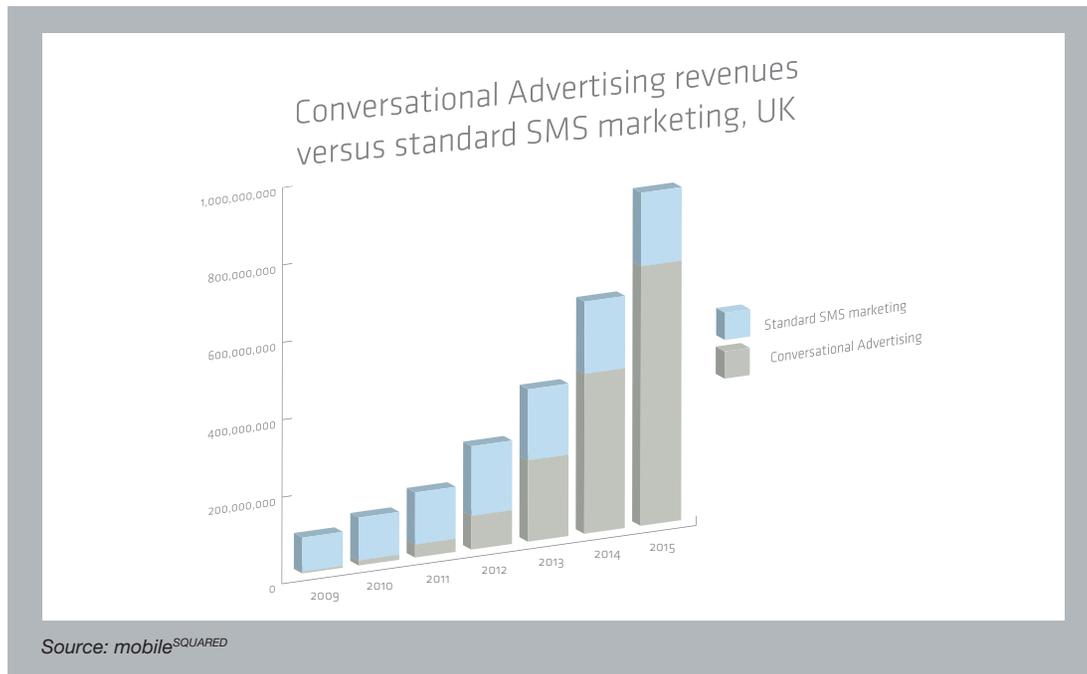
Between 2008 and 2009, the UK experienced a 23% year-on-year growth in SMS traffic, with almost 97 billion messages sent during the year, according to the Mobile Data Association (MDA). That equates to 265 million SMSes sent per day, or less than 5 SMSes per day per user.

Consumer research by mobile<sup>SQUARED</sup> revealed that the UK will more likely be more accepting of Conversational Advertising than the US, with 60% of respondents interested in the concept.

The UK is widely regarded as one of the most advanced mobile advertising nations in Europe, yet like the US, and indeed the majority of developed mobile markets, mobile marketing activity is dominated by messaging. To date, only Blyk (now consumed by Orange) has attempted to make a strong play at this opportunity, though O2 is actively moving into the SMS ad space. The other operators are expected to follow suit, but are yet to reveal their hand.

In 2010, Conversational Advertising in the UK will be worth US\$13.1 million, and representing 11% of total mobile marketing messaging revenues. By 2015, Conversational Advertising will be worth US\$670.3 million and represent almost 80% of total mobile marketing messaging revenues. Operators will command almost three-fifths of Conversational Advertising revenues by 2015.





## India

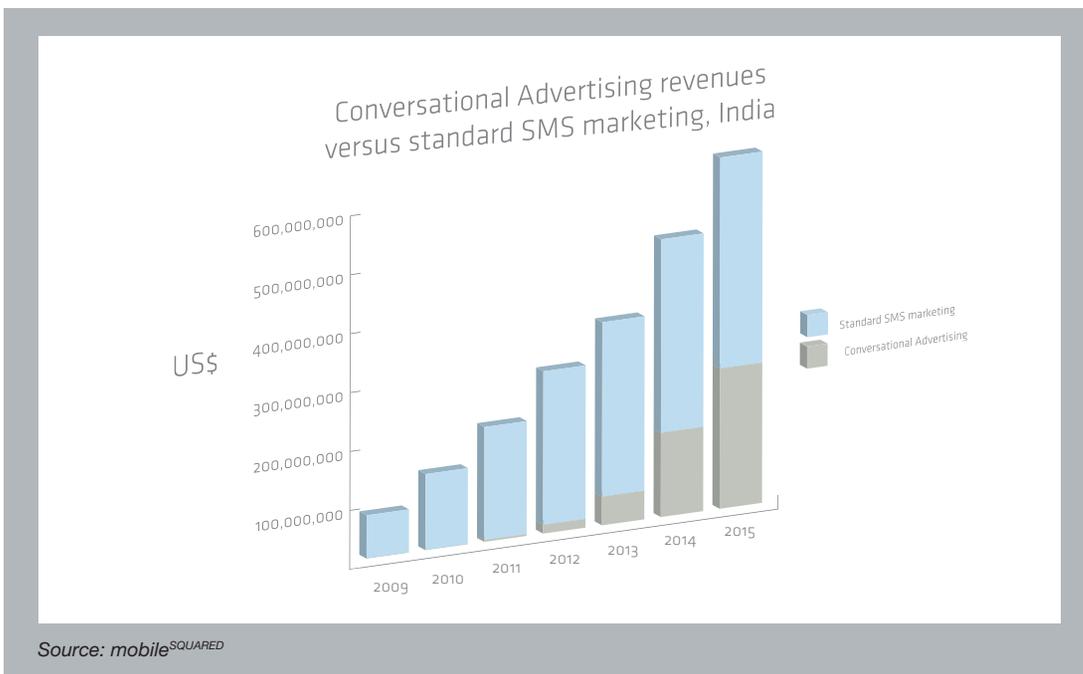
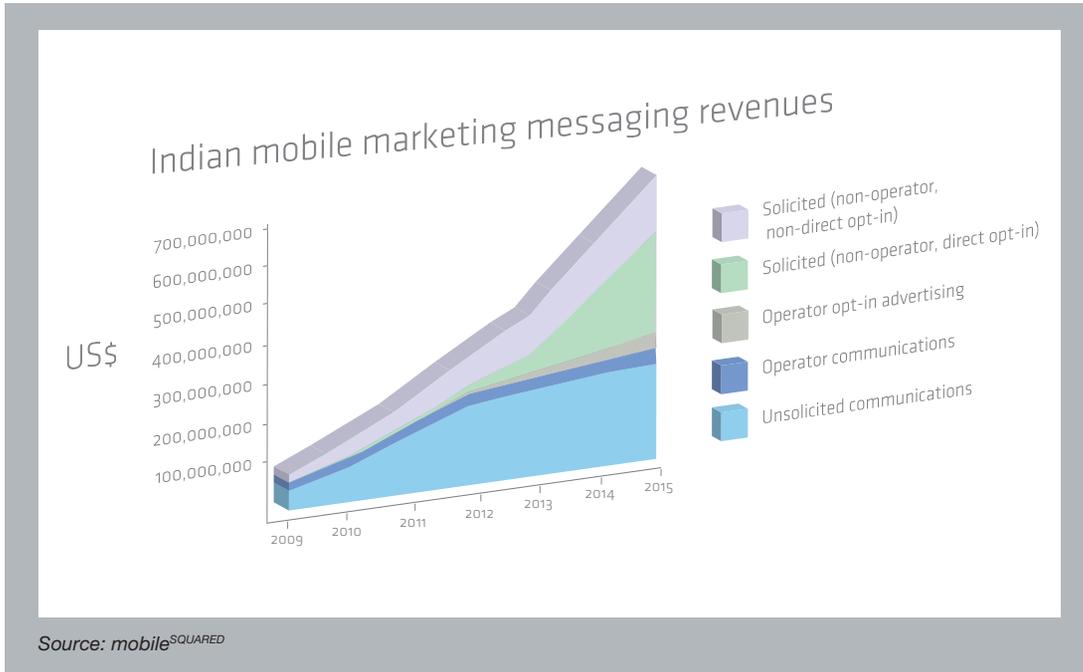
India (along with China) will be one of the mobile superpowers. The country will have 686.6 million mobile subscriptions by the end of 2010, and is forecast to cross the 1 billion mark in 2013. To date, the mobile operators are focused on subscriber acquisition, making incremental revenue streams such as mobile advertising, something of a sideline for the time being. But interest in mobile advertising in India is increasing. The market is expected to grow from US\$4 million in 2009 to US\$20 million in 2010.

Consumer research by mobile<sup>SQUARED</sup> has revealed that a little over 60% of India's mobile population would be willing to receive mobile advertising in exchange for free voice and SMS on a monthly basis. India is a market driven by cost, where 70% of the population are rural, and the mobile device might well be the only screen they have access to. This makes mobile a very compelling medium to brands and business.

Significant mobile messaging activity is already taking place in India. Mobile operators are already capitalising on their position and believed to be distributing an average of 2-3 messages per month to their subscriber base. Similarly, the Indian government has identified mobile as a key means to communicate with the population and believed to be contributing to 40% of all mobile marketing activity.

Conversational Advertising is projected by mobile<sup>SQUARED</sup> to be worth US\$543,318 in 2010, but will increase to US\$238 million by 2015. Brands are only now feeling their way onto mobile in a very circumspect manner, and must

first familiarize their campaigns on messaging prior to exploring Conversational Advertising. While Conversational Advertising will represent less than 0.5% of total mobile marketing messaging revenues in 2010, it will contribute a fraction under 40% by 2015.



## Conclusion

Conversational Advertising's primary purpose is to fundamentally alter how marketing on the messaging platform is executed. Campaign-based activity conflicts with the communications-led activity by consumers on their mobile devices. The stop-start nature of a traditional advertising campaign is a very fragmented way to communicate and fails to capitalise on the personal relationship the consumer has with their mobile device. No other media is in the consumer's possession for 16 hours a day, nor does any other medium have the ability to alert the consumer instantaneously. Mobile is an immensely powerful ally for the marketers, but it is messaging that transforms mobile from a powerful tool, into a devastatingly effective channel. Brands just need to learn how to converse with the customers.

## SinglePoint's 5 key points

1. Conversational Advertising is SinglePoint's response to clarify the role of messaging within mobile marketing and mobile advertising, by embracing brands' needs to communicate with consumers in a way that consumers will respond to.
2. Conversational Advertising requires a fundamental shift in the way business, brands, and most importantly, agencies approach mobile messaging for marketing purposes, and treat messaging in a similar vein to their web site.
3. The success of Conversational Advertising should be measured by Cost Per Engagement
4. Brand and businesses need educating about the merits of developing an opt-in database, and how to capitalise on this data in a consumer-friendly manner.
5. SinglePoint is urging the industry to review the opt-out process. SinglePoint believes consumers should be presented with a choice, based on length of opt out; 1, 3, 6, 12 month holiday from communicating with that brand.

## APPENDIX

All research & forecasts by mobile<sup>SQUARED</sup>, unless stated otherwise

This report has broken out existing mobile marketing messaging traffic into more clearly defined categories.

Operator communications is the cost to the operator to deliver in-direct mobile marketing messages to its subscriber base, based on reduced internal wholesale rate and an average of one communication per month to 50% of its base, increasing in a stepwise fashion over the forecast period.

Operator opt-in advertising (Conversational Advertising) is when a consumer has directly (intentionally) communicated with the operator to receive third-party advertisements/communications.

Solicited (non-operator, direct opt-in) (Conversational Advertising) is when a consumer communicates directly with the brand to receive the brand's advertisements/communications.

Solicited (non-operator, non-direct opt-in) is when a consumer provides their mobile number without realising/or being informed that it will be used for mobile marketing purposes.

Unsolicited is spam.

Forecasts in this report are based on:

All forecasts (operator communications, operator opt-in advertising, solicited (non-operator direct opt-in), solicited (non-operator non-direct opt-in), and unsolicited) include return traffic from consumers responding to the original message based on researched industry data, and projected response rates based on existing mobile marketing data using opt-in databases from each market (US, UK and India).

Average wholesale SMS rate and average consumer SMS rate per market as of May 2010.

Existing mobile consumer adoption rates

Consumer usage/response rates based on existing/recent mobile marketing campaigns

# mobile<sup>SQUARED</sup>

mobile<sup>SQUARED</sup> is a mobile research agency based in the UK specializing in mobile advertising, content/apps and services in 30 key mobile markets around the world. The company comprises mobile analysts and journalists that have been covering, tracking, forecasting the key areas of mobile since the late 1990s, and have worked for some of the most influential newsletters, magazines, and written industry-shaping reports on advertising, content/apps and services. The researching, forecasting and writing of this report for SinglePoint has been conducted by mobile<sup>SQUARED</sup>'s chief analyst Nick Lane between mid-April to early June 2010.

# SinglePoint

SinglePoint is a mobile messaging ad network that enables brands, agencies and publishers to connect with more than 270 million North American wireless subscribers.

SinglePoint's full suite of products and services enables publishers to monetize their mobile messaging traffic and advertisers to access premium inventory and rapidly launch mobile advertising campaigns.

SinglePoint works in partnership with entertainment, media companies, brand managers, advertising agencies and mobile networks. Current publisher partners include Viacom (VH1, MTV, CMT, BET) and NBC Universal (Bravo, Oxygen, SciFi, CNBC, MSNBC, Telemundo, USA Network).

Great experience and great people are essential to success for any company. Learn more about how SinglePoint's unparalleled track record and technical leadership make us who we are.

## Contact

Bellevue Corporate Plaza  
600 108th Avenue NE  
Suite 610  
Bellevue  
WA 98004

**Tel:** +1. 425-638-4500

**Email:** [sales@singlepoint.com](mailto:sales@singlepoint.com)